



**CONGRESSIONAL BUDGET OFFICE  
COST ESTIMATE**

September 28, 2000

**S. 1331**

**Lincoln County Land Act of 2000**

*As reported by the Senate Committee on Energy and Natural Resources  
on September 25, 2000*

**SUMMARY**

S. 1331 would accelerate the timing of certain land sales in Nevada and would allow the proceeds to be spent without further appropriation. CBO estimates that enacting this bill would increase net direct spending by \$2 million over the 2001-2005 period and by a total of \$16 million over the next 15 years. Because the bill would affect direct spending, pay-as-you-go procedures would apply. We estimate that implementing S. 1331 would not have a significant impact on discretionary spending.

S. 1331 contains no intergovernmental or private-sector mandates as defined in the Unfunded Mandates Reform Act (UMRA) and would impose no costs on state, local, or tribal governments.

**ESTIMATED COST TO THE FEDERAL GOVERNMENT**

For this estimate, CBO assumes that S. 1331 will be enacted near the start of fiscal year 2001. The estimated budgetary impact of S. 1331 is shown in the following table. The costs of this legislation fall within budget functions 300 (natural resources and environment) and 800 (general government).

	By Fiscal Year, in Millions of Dollars				
	2001	2002	2003	2004	2005
<b>CHANGES IN DIRECT SPENDING</b>					
Net Receipts From Sale of Federal Lands <sup>a</sup>					
Estimated Budget Authority	-4	-1	-2	-1	-1
Estimated Outlays	-4	-1	-2	-1	-1
New Direct Spending					
Estimated Budget Authority	1	2	2	3	3
Estimated Outlays	1	2	2	3	3
Net Change in Direct Spending					
Estimated Budget Authority	-3	1	0	2	2
Estimated Outlays	-3	1	0	2	2

a. Estimates of net receipts include payments to the state of Nevada as authorized under current law.

## **BASIS OF ESTIMATE**

S. 1331 would direct the Secretary of the Interior to sell, for fair market value through a competitive bidding process, approximately 13,500 acres of federal lands located within Lincoln County, Nevada, and administered by the Bureau of Land Management (BLM). The bill would require the Secretary to sell 4,817 acres of those lands within one year and the rest within five years. The bill would direct the Secretary to pay 5 percent of the proceeds from those sales to the state of Nevada (as provided under current law) and another 10 percent to Lincoln County. The rest would be deposited in an interest-bearing account and could be spent by the Secretary, without further appropriation, for acquiring environmentally sensitive lands in Nevada and other resource management activities.

Based on information from BLM, CBO estimates that enacting S. 1331 would increase net direct spending by \$2 million over the 2001-2005 period and by a total of \$16 million over the next 15 years. This estimate includes the impact of provisions that would accelerate land sales that otherwise would occur over a longer period, as well as the cost of provisions that would result in new direct spending. In particular, the bill would incur net direct spending costs because it would allow the Secretary of the Interior to spend receipts from land sales that could not be spent under current law.

## **Acceleration of Land Sales**

According to BLM, the lands that would be sold under this bill already have been identified for disposal under current law, and the agency plans to sell those lands over the next 15 years. Based on information from BLM, we estimate that, under current law, net proceeds from the sale of those lands would total about \$15 million, of which about \$5 million would be collected over the 2001-2005 period and \$10 million in later years.

By directing the Secretary to sell all of the lands within five years, S. 1331 would accelerate the collection of those proceeds and subsequent payments to Nevada. Based on information from BLM, we estimate that the sales would yield net offsetting receipts totaling about \$14 million over the 2001-2005 period. (That amount is lower than our estimate of receipts under current law because we expect that the sales price of the lands would increase in future years due to inflation and appreciation.) Thus, we estimate that enacting this bill would result in a near-term increase in offsetting receipts of \$9 million, which would be more than offset by forgone receipts of \$10 million over the 2006-2015 period. CBO's estimate of the annual change in net proceeds reflects the timing of the sales outlined in the bill.

## **New Direct Spending**

CBO estimates that spending the proceeds from the accelerated land sales (plus interest) would cost about \$15 million over the 2001-2010 period. Under current law, net proceeds from the sale of federal lands are deposited in the Treasury and are unavailable for spending. S. 1331 contains two provisions that would increase direct spending of those net receipts. First, the bill would require that 10 percent of the gross proceeds from the sale of land under the bill be paid to Lincoln County. CBO estimates that such payments would total about \$1 million over the 2001-2005 period. Second, under S. 1331, the remaining sale proceeds would be deposited in an interest-bearing account and could be spent by the Secretary, without further appropriation. The Secretary could use this money to cover certain administrative costs, support activities related to archeological resources and habitat conservation in the county, and acquire environmentally sensitive land in Nevada. Based on information from BLM, CBO estimates that the agency would spend a total of \$14 million over the 2001-2010 period for those activities.

## **PAY-AS-YOU-GO CONSIDERATIONS**

The Balanced Budget and Emergency Deficit Control Act sets up pay-as-you-go procedures for legislation affecting direct spending or receipts. The net changes in outlays that are subject to pay-as-you-go procedures are shown in the following table. For the purposes of

enforcing pay-as-you-go procedures, only the effects in the current year, the budget year, and the succeeding four years are counted.

	By Fiscal Year, in Millions of Dollars										
	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010
Changes in outlays	0	-3	1	0	2	2	3	2	2	1	1
Changes in receipts	Not applicable										

**INTERGOVERNMENTAL AND PRIVATE-SECTOR IMPACT**

S. 1331 contains no intergovernmental or private-sector mandates as defined in UMRA and would impose no costs on state, local, or tribal governments. Lincoln County would benefit from enactment of this bill, because it would receive a portion of the proceeds from the land sales, and because the land, if sold to private parties, would be added to the county’s tax base.

**PREVIOUS CBO ESTIMATE**

On August 31, 2000, CBO transmitted a cost estimate for H.R. 2752, the Lincoln County Land Act of 2000, as ordered reported by the House Committee on Resources on July 26, 2000. The two bills are very similar, and our cost estimates are the same.

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